

CONFIRMATION QUESTIONS FOR THE RECORD

QUESTIONS SUBMITTED BY SENATOR JOHN ENSIGN FOR THE DEPARTMENT OF HOMELAND SECURITY

Vice Admiral Allen introductory remarks: my answers to these questions are based primarily on my experience as Principal Federal Official (PFO) for Hurricane Katrina. Prior to this devastating storm, I had only peripheral contact with FEMA and having never been an employee of that agency, cannot answer many of the questions that deal with internal FEMA policy, processes, and culture. I do, wherever possible, provide answers based on personal observations made during and after the PFO assignment.

Throughout my assignment as PFO and for several weeks afterward, I worked closely with the Department of Homeland Security and White House to perform a detailed “hot wash” on pressing disaster relief issues and to develop recommended courses of action to better prepare DHS, FEMA, and the nation for future disasters. Much of my input was captured in the White House review of Katrina spearheaded by Homeland Security Advisor Fran Townsend – I reference this report in some of my answers, as the conclusions of the report mirror my own thinking.

I also had the opportunity to spend several hours with staff from the Senate Homeland Security and Governmental Affairs Committee to discuss these matters, and look forward to reviewing the report and recommendations to be made public by that Committee. I know that not only this Committee but numerous Members of Congress have made substantial contributions to effecting changes that will better position our nation for responding to catastrophic incidents in the future, and I sincerely respect this hard work on the part of the Congress.

QUESTIONS

MISSION & ORGANIZATIONAL CULTURE OF FEMA WITHIN THE DEPARTMENT OF HOMELAND SECURITY

Since the bill creating the Department of Homeland Security (DHS) was signed into law on November 25, 2002, there have been concerns raised that the mission of the Federal Emergency Management Agency (FEMA) has been retooled to primarily focus on responding to terrorist attacks and not natural disasters.

1. Has FEMA’s culture changed since its integration into the Department of Homeland Security?

Response: FEMA’s culture has not changed since joining the Department of Homeland Security in March 2003. In fact, FEMA’s culture and capabilities have only been enhanced by the additional support and resources provided by the Department. FEMA continues to be dedicated to serving people and communities impacted by natural or manmade disasters.

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Vice Admiral Allen Comment: I am not a FEMA employee and did not serve with FEMA extensively before the Coast Guard's transition into the Department of Homeland Security and cannot comment substantively on this issue for the pre-Katrina period. However, my observations during and after Katrina were that FEMA and its employees have fully embraced the "all hazards" approach mandated by the Department of Homeland Security, and that this approach makes eminent sense in that it is impossible to predict the next disaster that will befall this Nation, whether it be natural or man-made. From my vantage point, the "all hazards" mindset had been fully subsumed by the FEMA employees with whom I dealt.

2. How has the organization managed the twin mission responsibility of developing the capability to respond effectively, and with appropriate timeliness, to both natural disasters and terrorist attacks?

Response: FEMA and the Department of Homeland Security have adopted an "all-hazards" approach to disasters and emergencies because many of the response functions and consequences are the same regardless of whether the disaster is due to a natural disaster or a terrorist event. By using this "all-hazards" approach, preparation for one type of emergency can help all levels of government be better prepared for other kinds of emergencies.

In the post-Cold War world, FEMA recognizes that the US is not only at risk from natural and technological hazards, but also from new and emerging terrorism threats, most which are unconventional and asymmetric. These threats can take many forms and have the potential to involve destructive chemical, biological, radiological and nuclear weapons intended to wreak unprecedented damage on the Nation's population, economy, and quality of life. The past two years have also demonstrated the destructiveness of natural disasters.

Since its establishment in March 2003, DHS has the preeminent role in managing and coordinating the domestic response to all types of disasters, including terrorism events, and has developed the National Incident Management System (NIMS) to ensure that responders from different jurisdictions (Federal, State, local, Tribal, international, non-governmental organizations, and the private sector) and disciplines (command, operations, planning, logistics, finance and administration, emergency services, human services, and infrastructure support) can work together better to respond to natural disasters and emergencies, including acts of terrorism. The NIMS provides a consistent doctrinal framework for incident management at all jurisdictional levels, regardless of the cause, size, or complexity of the incident.

The NIMS benefits include a unified approach to incident management; standard command and management structures; and emphasis on preparedness, mutual aid and resource management.

The December 2004 National Response Plan (NRP) provides the coordinating structures and protocols, either partially or fully, for responding to specific Incidents of National Significance and provides the mechanisms for the coordination and implementation of a wide variety of incident management and emergency assistance activities. Included in these activities are Federal support to State, local, and tribal authorities; interaction with nongovernmental, private donor, and private-sector organizations; and the coordinated, direct exercise of Federal authorities, when appropriate. The NRP itself creates no new authorities, but it serves to unify and enhance

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the incident management capabilities and resources of individual agencies and organizations acting under their own authorities in response to a wide array of potential threats and hazards.

FEMA is the DHS component charged with and responsible for leading and coordinating all-hazards incident management for Incidents of National Significance and other disasters when and if a Presidential disaster or emergency is declared under the Stafford Act. FEMA's core mission is ensure the timely, efficient, and effective delivery of goods and services to victims, through FEMA's Federal, State, local, Tribal, and private sector partners, to alleviate the suffering and damage which result from Incidents of National Significance and disasters regardless of the cause of the disaster and to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe.

FEMA does not differentiate between disasters caused by nature, such as earthquakes, or disasters such as a terrorist event. In all cases, FEMA provides response and recovery assistance geared to the event and in coordination with local, State and Federal officials. Consequently, the FEMA concept of operations assumes an all-hazard, risk-based approach to emergency management and encompasses and integrates the following phases of planning and operations: Awareness, Protection, Preparedness, Response, Recovery, and Mitigation. Using this "all-hazards" approach, preparing for one type of emergency can help all levels of government be prepared for other kinds of emergencies.

Vice Admiral Allen Comment: While my experience as PFO was limited to the response for a natural disaster, I did glean insights on how FEMA and DHS would respond to any disaster, either natural or man-made. I firmly believe that an "all hazards" approach is necessary in today's threat environment. While the NRP and NIMS provide the structure by which the federal government organizes and executes a federal response in support of state and local governments, the policy framework for the management of non-defense (Title 10) incident management is contained in a series of Homeland Security Presidential Directives. For the purpose of responding to this question the key HSPDs are

- HSPD 5: Management of Domestic Incidents
- HSPD 7: Critical Infrastructure Identification, Prioritization and Protection
- HSPD 8: National Preparedness

HSPD 8 states "The Term 'all-hazards preparedness' refers to preparedness for domestic terrorist attacks, major disasters and other emergencies."

The status of our national preparedness has been reviewed extensively by the Congress and the White House, and I concur with this priorities for improvement contained in this statement excerpted from the report provided to the President:

"Our current system for homeland security does not provide the necessary framework to manage the challenges posed by 21st Century catastrophic threats. But to be clear, it is unrealistic to think that even the strongest framework can perfectly anticipate and overcome all challenges in a crisis. While we have built a response system that ably handles the demands of a typical hurricane season, wildfires, and other limited natural and man-made disasters, the system clearly has structural flaws for addressing catastrophic events. During the Federal response to Katrina,

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four critical flaws in our national preparedness became evident: Our processes for unified management of the national response; command and control structures within the Federal government; knowledge of our preparedness plans; and regional planning and coordination.”

3. Will the current strategy be changed in the future and, if so, in what way?

Response: It is not envisioned that the basic all-hazards strategy, that has proven to be successful in disaster response, will be changed in the future. FEMA will take necessary measures to continue to improve its capabilities to respond to all types of disaster and hazards to preserve life and protect property. Part of this is creating, fostering, and sustaining a culture of preparedness emphasizing that the Nation shares common Homeland Security goals and responsibilities. In addition, at the Federal, State, and local levels, we must increase our common familiarity with the National Incident Management System and enhance our response capabilities by developing more effective organizational structures, implementing more training programs, and providing the needed disaster response equipment.

We will continue our current strategic direction, focusing on:

- Preparedness that connects departmental and other Federal partner capabilities to ensure a continuous cycle of planning, training, equipping, exercising, evaluating and taking corrective action;
- Resource Management that ensures a uniform method of identifying, acquiring, allocating and tracking resources;
- Disaster response effectiveness based on fully coordinated and integrated teams and capabilities;
- Interoperable integrated communications and information technologies; and
- Ensuring information sharing capabilities essential to situation awareness and incident management.

Our goal is to maintain and improve the national framework that maximizes Federal capabilities and authorities to execute timely, tailored, and efficient Federal to State support, Federal to Federal support, and a pro-active response to all types of disasters, including catastrophic incidents. We are working to ensure that incidents are handled at the lowest possible organizational level throughout the life cycle of an incident.

Vice Admiral Allen Comment: The Department of Homeland Security is in the process of reviewing the recommendations made by the Congress and in the Townsend Report and is working with the Homeland Security Council to address the issues raised and the recommendations made. The focus of these recommendations as noted above involves not only FEMA and DHS, but the entire federal response architecture. I feel it is essential to take this broad view in making improvements to our response and preparedness systems, so that we do not “fix” one agency to the detriment of improving the wider system.

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4. Does FEMA's strategic planning and state of preparedness reflect the reality that there is a much greater likelihood of natural disasters than a terrorist attack?

Response: The disastrous hurricane season of 2005 has starkly illustrated that the risk of a catastrophic natural disaster is not theoretical. The combined threat posed by a natural disaster or terrorist event are such that the possibility of a catastrophic event in this country is a genuine concern regardless of cause.

Despite continuing improvements to the national domestic incident architecture, planning for a comprehensive and effective response to – and recovery from – a *catastrophic* incident remains a daunting task.

As illustrated by the 2005 hurricane season, preparing for such an event requires planning, coordination and capability building at a level beyond that which we are accustomed to providing. In FY 2006, Congress provided \$20 million to FEMA to support catastrophic incident response and recovery planning and exercises. FEMA is committed to working with Congress, States and local governments, as well as with other Federal agencies, to develop and implement plans that will improve our ability to plan for, respond to, and to recover from catastrophic disasters quickly and effectively.

Historically FEMA has responded to many more natural disasters than terrorist events. FEMA and the Department of Homeland Security have adopted an "all-hazards" approach to disasters and emergencies because many of the response functions and consequences are the same regardless of whether the disaster is due to a natural disaster or terrorist event. Using this "all-hazards" approach, preparing for one type of emergency can help all levels of government be prepared for other kinds of emergencies.

Vice Admiral Allen Comment: The earlier comments regarding the national response policy structure as promulgated through HSPDs is applicable here as well.

5. Is FEMA currently capable of responding effectively to both natural disasters and terrorist attacks?

Response: FEMA is capable of responding to both natural disasters and terrorist attacks, however, improvements are still needed. We are continuing to implement lessons-learned from FEMA's response to the tragic events of September 11, 2001 and the Agency's response to the intense 2004 and 2005 hurricane seasons. A challenge facing FEMA and the entire emergency management community is retaining sufficient numbers of trained and dedicated personnel and having adequate funding for required programs.

Vice Admiral Allen Comment: My observations from Katrina lead me to conclude that FEMA is capable of responding to both natural disasters and terrorist attacks. That said, there is wide recognition at FEMA and the Department of Homeland Security that we can do better in the future in preparing for and responding to the broad range of "all hazards" emergencies. In recent

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testimony before the House, Secretary Chertoff identified “four specific areas where we would like to enhance FEMA’s capabilities in the short-term” – I concur with the priorities he has outlined. They are:

- More effectively partner with the public and private sectors to tap into their expertise to overhaul FEMA's logistics system for rapidly moving supplies into a disaster area. FEMA needs to have a “just-in-time” inventory and delivery system that allows it to quickly assess inventory, deliver those goods, and replenish its stocks.
- Ensure that FEMA has an effective operations plan in place to perform many of its key disaster assistance functions: answering the phone, registering people for assistance, and getting them the benefits they need. FEMA’s traditional disaster registration model, which encourages people to come to a fixed location to register for and receive aid, does not hold up when such a vast area is affected by a catastrophic event.
- Sufficient communications capabilities must also be in place and able to function during the worst phases of a hurricane or incident. In the future, FEMA must have its own increased communications capability and is looking at ways to adapt military and advanced private sector communication technology for emergency use – to help state and local first responders as well as FEMA support personnel.
- FEMA must have the necessary staff to manage these systems and operations and must work to replenish its ranks at the senior level with experienced staff. In the coming weeks DHS will be working to draw talented and qualified individuals to these important positions.

6. Do DHS and FEMA measure their readiness to respond effectively to natural disasters and terrorist attacks? If so, please describe in detail those metrics; provide me with a copy of each assessment since DHS was created; and provide documentary evidence to support the conclusions reached in those assessments.

Response: FEMA is responsible for coordinating and managing an integrated federal response to any Presidentially-declared disaster or emergency. The interagency operations and activities conducted in relationship to this responsibility typically revolve around the collaborative fusion of multiple intergovernmental emergency management functions, organizations and activities under the general framework of the National Response Plan. Because many of the response activities are executed or performed by situational organizations (i.e., organizations, such as an Emergency Response Team, that are activated/assembled when needed, and deactivated at the conclusion of their assigned mission), there is no residual team capability to monitor and resolve problems or issues occurring during the response or exercise that may require the follow-on attention of functional program areas. The Remedial Action Management Program (RAMP) is designed to address this gap. RAMP identifies issues, lessons learned and best practices resulting from the conduct of emergency management operations, for both actual events and exercises. The RAMP is geared toward allowing FEMA HQ and Regional offices to correct programmatic/systemic problems encountered during response and recovery activities that occur during both actual and exercise emergency and disaster response operations.

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FEMA measures its readiness to respond effectively to disasters through the use of strategic goals, objectives and performance measures set forth each fiscal year. These metrics are designed to enhance FEMA's existing response capabilities and are tied directly to the strategic goals, objectives and priorities of the Department of Homeland Security. Achievement of these goals and objectives is a top priority for the Agency, and progress toward annual targets is reported during quarterly performance review briefings for FEMA leadership.

Within the Response Division of FEMA, response readiness is evaluated using a series of performance measures aimed at assessing the operational capability of its major response team components, including the National Disaster Medical System's Disaster Medical Assistance Teams (DMATs), the Urban Search and Rescue Task Forces, the Mobile Emergency Response Support (MERS) Detachments, and the Federal Incident Response Support Teams (FIRSTs). Included in these performance measures is the assessment of operational readiness for emergency response teams, evaluation of readiness for teams and operations during exercises and actual event response, WMD event response capability, large-scale patient movement and mass casualty event training and exercise, and casualty treatment, evacuation and transport capability.

Vice Admiral Allen Comment: During my career I have not been involved in the development or management of FEMA programs and do not have insights on the performance metrics used by this agency. Accordingly, I am unable to substantively comment on this issue. I can report that the Urban Search and Rescue forces, Disaster Medical Assistance Teams, Mobile Emergency Response Support (MERS) Detachments, and Disaster Mortuary Assistance Teams deployed to Katrina and Rita by FEMA served with distinction.

7. What method is used by FEMA to make initial identification of those in need of assistance? How are these persons tracked through the assistance process? How does FEMA target assistance to meet individual needs? How does FEMA determine the level, adequacy, and kind of assistance? How many Katrina victims have requested assistance; how many received assistance but are no longer receiving assistance; and how many are still receiving assistance? Does any method exist to track those persons as they fall off the assistance rolls?

Response:

a. After a disaster declaration is received, FEMA utilizes public outreach to encourage those with disaster related needs to file an application for assistance with FEMA. When an individual files an application with FEMA, we provide them with a Registration ID# for case tracking purposes, referral information to other assistance programs/agencies, and details regarding the assistance process. Throughout the assistance process, we provide applicants with updates regarding their case, assistance eligibility determinations, etc, via written correspondence. If applicants wish to ask questions about their case or wish to update their FEMA records, they can do so using the Disaster Information Helpline toll-free phone service, or the Internet-Based Individual Assistance Center. All case processing is performed within the National Emergency Management Information System (NEMIS). NEMIS is the database in which applicant information is tracked, stored, and utilized for the purposes of determining applicant eligibility. Within a given declared disaster, applicant assistance or requests for assistance are sorted by

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applicant needs, rather than by geographical location or other criteria, which allows FEMA to assign properly trained staff to target specific needs of applicants.

b. How many Katrina victims have requested assistance?

- 1,709,542 registrations for assistance
- \$5.38 billion in assistance to 1,054,732 approved applicants under the Individual Housing Program (IHP) for Katrina (as of 3/10).

How many Katrina victims have received assistance but are no longer receiving assistance?

- Data is not tracked in such a fashion

How many Katrina victims are still receiving assistance?

- Data is not tracked in such a fashion

- c. Applicants are encouraged throughout the assistance process to continue to contact FEMA if they have unmet needs caused by the disaster. After disaster assistance is provided, we do not generally reach out to applicants who do not contact us with additional requests, unmet disaster-related needs, updated contact information, etc. Additionally, unmet needs committees are set up by non-governmental organizations and charitable groups within the disaster area; staff working in FEMA field offices make referrals to these entities.

Vice Admiral Allen Comment: Hurricane Katrina revealed the need to develop and deploy an integrated process that allows the management of displaced populations throughout the life cycle of an incident, from emergency protective measures to follow-on assistance from other federal agencies and service organizations. During the Administration's "hot wash" on this topic, we developed two primary 'lessons learned' applicable to future disasters:

- Using established Federal core competencies and all available resources, the Department of Housing and Urban Development, in coordination with other departments of the Executive Branch with housing stock, should develop integrated plans and bolstered capabilities for the temporary and long-term housing of evacuees. The American Red Cross and the Department of Homeland Security should retain responsibility and improve the process of mass care and sheltering during disasters.
- The Department of Health and Human Services should coordinate with other departments of the Executive Branch, as well as State governments and non-governmental organizations, to develop a robust, comprehensive, and integrated system to deliver human services during disasters so that victims are able to receive Federal and State assistance in a simple and seamless manner. In particular, this system should be designed to provide victims a consumer oriented, simple, effective, and single encounter from which they can receive assistance.

While I am unaware if the Senate Homeland Security and Governmental Affairs Committee report will address these issues as well, I look forward to reviewing any recommendations they may make and am confident that FEMA, DHS, and the Administration will give such recommendations very strong consideration.

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8. What will FEMA do with excess supplies and resources? Does FEMA warehouse these supplies or dispose of them? In cases involving disposal, how are those assets disposed of?

Response: Excess supplies and resources not used for a disaster are warehoused in one of FEMA's logistics facilities that are strategically located throughout the country. These supplies are used to provide life saving and life sustaining commodities to support FEMA's all-hazards mission. Supplies and resources that remained as a result of the four Florida Hurricanes in FY04, including water and emergency meals, were pre-positioned and used to support Hurricane Katrina. Additionally, as a result of Hurricanes Katrina and Rita, FEMA's Logistics Center Fort Worth, TX grew from 236,000 square feet to approximately 1.5 million square feet to store excess equipment and supplies. Some excess food is provided to volunteer organizations such as the American Red Cross. Finally, some supplies and/or resources that are rendered inadequate for future use are disposed of in accordance with GSA regulations.

Vice Admiral Allen Comment: As Katrina PFO, I did not deal with this issue in any substantive manner and am unable to provide any useful observations on this topic..

FEMA ORGANIZATION & INTERGOVERNMENTAL COORDINATION

In the wake of Hurricane Katrina, there have been significant concerns raised about (1) the organizational structure of FEMA; (2) the manner in which FEMA interacted with other federal agencies in the wake of the disaster; and (3) the inadequacy of federal, state, and local government to implement the emergency response plans.

1. Are the responsibilities of FEMA's sub-units and its employees derived from the organizational missions?

Response: The responsibilities of FEMA's subunits and employees are derived from its authorizing legislation. A list of FEMA's primary authorities are as follows:

- Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.).
- Homeland Security Act of 2002 (6 U.S.C. 101 et seq.)
- National Security Act of 1947, as amended (50 U.S.C. 404,405)
- Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11001 et seq.)
- Title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.)
- National Dam Safety Program Act, as amended (33 U.S.C. 467 et seq.)
- Public Health Security and Bioterrorism Preparedness and Response Act of 2002, as amended (42 U.S.C. 300hh-11)

Vice Admiral Allen Comment: While I do not have visibility on or experience with the inner workings of FEMA, it is my belief that the national response policy structure as promulgated through HSPDs 5, 7, and 8 are applicable here as well.

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2. Are the roles of federal, state, and local governments in disaster management clearly defined and well understood?

Response: Coordination with State, local, tribal, and territorial partners has been and remains among the highest priorities for the Department of Homeland Security. The Department uses a multitude of resources to coordinate policy, programmatic, and operational decisions with State and local officials, but the Office of State and Local Government Coordination (SLGC) has served as the primary coordination point for many of these efforts.

SLGC routinely interacts directly with state and local officials involved in public safety, emergency management, intelligence, law enforcement, and other areas to ensure a constant flow of information to/from the Department's state and local stakeholders. Notably, one week before Hurricane Katrina made its second landfall, SLGC brought together the nation's Homeland Security Advisors and Emergency Managers to speak with the Department's leadership about their priorities and needs.

The Department continues to emphasize and train to the National Incident Management System (NIMS) as implemented by the National Response Plan (NRP). In the NRP the chain of command is a seamless integration of all levels of government, from the local Incident Commander through the local Multi-Agency Coordination System (typically a county Emergency Operations Center) through the State EOC, the Federal Joint Field Office (JFO) to the Homeland Security Operations Center (HSOC) which serves the Secretary of Homeland Security exclusively.

Vice Admiral Allen Comment: My experience as PFO for Katrina finds that this is an area where significant work and improvement is needed, and for which we should pay very close attention. The following recommendations, included as part of the Townsend Report, reflect my thinking on this issue:

- Although the NRP base plan was predicated on the NIMS incident command system, the Emergency Support Functions (ESFs) were taken from the old Federal Response Plan and were not adequately realigned to fit within the NIMS structure. The ESFs should be realigned to fit within the NIMS structure to ensure coordination and efficiency. Rather than having each ESF function independently undertaking common functions (i.e., operations, planning, logistics, finance/administration), the ESF structure should be realigned to separate operational elements from common support requirements.
- The NRP required each ESF primary agency to "develop standard operating procedures (SOPs) and notification protocols." Each primary department or agency for each ESF and support annex should develop a detailed operations plan on how they will become operational and coordinate with other annexes and ESFs during a major incident. These operational plans should conform to NIMS and be consistent with the recommended reconfiguration of the ESF structure. These plans should be exercised yearly through either National, departmental, or agency exercises. It should be recognized that these plans will take time to create and will need to be developed in collaboration with State and local officials.

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3. Does FEMA's Federal Response Plan specify resources from other federal agencies that FEMA can draw upon and how FEMA pays costs associated with such resources?

Response: The Federal Response Plan has been superseded by the National Response Plan. The National Response Plan (NRP), released on January 6, 2005, uses the comprehensive framework of the National Incident Management System (NIMS) to provide the structure and mechanisms to coordinate Federal support to State, local, and tribal incident managers and to exercise direct Federal authorities and responsibilities. The NRP is applicable to all Federal Departments and Agencies that may be requested to provide assistance or conduct operations during actual or potential Incidents of National Significance*. The NRP was signed by 32 Federal Departments and agencies, as well as the American Red Cross, the Corporation for National and Community Service, and the National Voluntary Organizations Active in Disasters. The NRP consists of 4 components:

NRP Base Plan-describes the structures and processes to integrate the efforts and resources of Federal, state, local, tribal, private sector, and non-governmental organizations. The Base Plan includes roles and responsibilities, concept of operations, incident management actions, and plan maintenance instructions.

Emergency Support Function (ESF) Annexes-detail the missions, policies, structures, and responsibilities of Federal agencies for coordinating resources and programmatic support during Incidents of National Significance. The ESFs provide a functional approach to organize the capabilities of Federal departments and agencies and the American Red Cross. Through the ESF system, FEMA can call upon any of the 32 signatories to the NRP to provide resources, equipment or expertise.

Support Annexes- provide guidance and describe functional processes to ensure efficient and effective implementation of NRP incident management objectives. Support annexes address such things as: financial management, logistics management, private-sector coordination, volunteer and donations management, and worker safety and health. Federal departments and agencies supporting the NRP are activated and engaged using either a mission assignment process for events supported by Stafford Act funding, or through interagency agreements or other direct funding sources when implemented using other authorities.

Incident Annexes- address contingency or hazard situations requiring specialized application of the NRP. The Incident Annexes describe the missions, policies, responsibilities and coordination processes for incident management and emergency response operations across a spectrum of potential hazards. The Incident Annexes address the following types of incidents: Biological, Catastrophic, Cyber, Food and Agriculture, Nuclear/Radiological, Oil and HazMat, and Terrorism Incident Law Enforcement and Investigation. The Incident Annexes are not necessarily mutually exclusive events. More than one incident annex may be applied depending on the circumstances of the incident. The Incident Annexes address generic events; they are not

* Major disasters and emergencies as defined under the Stafford Act meet the criteria for Incident of National Significance; however, it is possible to have an Incident of National Significance that does not meet Stafford Act criteria.

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currently tied to the 15 planning scenarios developed by the White House Homeland Security Council.

Vice Admiral Allen Comment: The NRP is a national plan maintained by the Department of Homeland Security by the Under Secretary for Preparedness Directorate. While the NRP does not provide a comprehensive list of available federal assets, it does describe the mechanisms for which resources from different departments and agencies can be employed in a synergistic manner to respond to ant disaster, whether natural or man-made.. However, as noted in the previous answer, there is much work to be done in improving the NRP and in fully integrating the ESFs to fit the NIMS structure.

- a. What procedures are in place for FEMA to process interagency offers of assistance and resources?

Response: Federal departments and agencies supporting the NRP are activated and engaged using either a mission assignment process for events supported by Stafford Act funding, or through interagency agreements or other direct funding sources when implemented using other authorities. If the assistance / resources offered are needed, FEMA would execute a mission assignment, or other direct funding sources when implemented using other authorities, to accept the assistance / resources.

FEMA requests and obtains interagency support and assistance under the Stafford Act through the Mission Assignment process. A Mission Assignment (MA) is a work order issued by FEMA to a Federal department or agency (D/A) directing completion of a specific task, and citing funding (when applicable), other managerial controls, and guidance given in anticipation of, or response to a Presidential declaration of a major disaster or emergency.

All assistance and resource actions begin with the identification of an unmet need. The need may originate in a variety of ways, but typically the State and/or local emergency management agency, FEMA, and other responding Federal agencies are the most common sources. Once an action request has been captured a staff member of the Operations Section within an Emergency Response Team (ERT), Regional Response Coordination Center (RRCC) staff, or Emergency Support Team (EST) at the National Response Coordination Center coordinates the request through the Operations Section. The Operations Section Chief or a designee, who assesses the request, confirms its validity, and determines which organizational element within the emergency team is best suited to fulfill the request. The Operations Section Chief also identifies the relative priority of the action, in terms of criticality (lifesaving, life-sustaining, high, medium, normal), lead time for delivery, or timeframe for completion. A request may also be returned to the originator for additional information, clarification, or execution under the originator's own authority. In cases where the fulfillment of the request is already being accomplished under another action, or is proscribed from being completed by law and/or regulation, the requests may be returned to the requestor without action. The Operations Section Chief assigns the action request to an organizational element within the emergency team for coordination and completion.

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In cases where resources and assistance are offered from the interagency community, the offer would immediately be processed and reviewed to determine if it could satisfy any unmet needs or resource requirements and if not it would be passed on to the Emergency Support Function with responsibility for providing/overseeing the type of resource or support into which the offer would fall.

Vice Admiral Allen Comment: My experience as PFO for Katrina found that the “Mission Assignment” process is used for handling these types of requests (or offers of assistance). I concur with the detailed description of this process provided to you in the answer crafted by FEMA. .

b. How does FEMA request interagency assistance?

Response: FEMA requests and obtains interagency support and assistance under the Stafford Act through the Mission Assignment process. A Mission Assignment (MA) is a work order issued by FEMA to a Federal department or agency (D/A) directing completion of a specific task, and citing funding (when applicable), other managerial controls, and guidance given in anticipation of, or response to a Presidential declaration of a major disaster or emergency.

There are three types of Mission Assignments: Federal Operations Support, Technical Assistance for expert advice, Direct Federal Assistance for goods and services beyond the State’s capability to provide.

Vice Admiral Allen Comment: Again, the Mission Assignment process is the functional mechanism used for processing requests for assistance from FEMA to another agency or department. Our focus should be on making this existing and time-tested process work as efficiently and effectively as possible.

c. Given the obvious deficiencies demonstrated post-Katrina, how will FEMA and DHS reform communications networks?

Response: In the Fall of 2005, the Department created an emergency communications working group to ensure that when the National Response Plan is activated communications and IT are an enabler to the mission of the Principal Federal Officer (PFO) and Federal Coordinating Officer (FCO). In addition, the working groups was tasked with the mission of ensuring that there is one point of situational awareness and interface to other federal communication support agencies for entry and tasking generation to satisfy Federal, state, and local communication requirements. The group proposed the creation of PFO/FCO communications chief that plans for and executes the IT and communications requirements of the PFO/Joint Field Office staff. In addition, the group recommended the continued use of the existing Emergency Support Function (ESF) 2 structure as the single point of communications situation awareness, and entry and tasking generation for satisfying communications requirements. To support the effort the group has completed or in the process of completing the following:

- Conducted an inventory of communications assets in the Department

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- Written a draft DHS Concept of Operations of how assets would be tasked within the Department
- The National Communications System (NCS) in its ESF-2 (communications) role has completed a draft Concept of Operations with its primary and support agencies
- NCS and its ESF-2 role is working out the relationship with Northcom's head of communications
- Preparedness is developing an exercise timeline for the Department and States to test this capability. The exercise will be coordinated with ongoing FEMA activities.
- Both FEMA and NCS have identified additional people to fill the critical communication roles identified to work with regions on the Communications Plan.
- Identified the National Law Enforcement Center to act as a radio control center for DHS

In addition, the Department is seeking to test this capability through multiple exercises in the Gulf region and eastern seaboard prior to next hurricane season.

FEMA Response and Recovery operates the Mobile Emergency Response System (MERS) trailers, which among other things provides emergency communication abilities in a disaster event. In a catastrophic event, such as Katrina, the region's communications infrastructure was destroyed, and while the MERS performed as designed, they were not sufficient for the catastrophe. The Federal government, DoD, private organizations, local governments, and commercial interests have communication assets for emergency events; however, there is no standardized coordination of these assets. NPIP proposes to strengthen national preparedness by cataloging emergency communication assets, pre-coordinating their use, and developing communications plans for catastrophic event scenarios. NPIP leads, coordinates, and synchronizes federal preparedness capabilities and assets, and in concert with other partners addresses catastrophic scenarios that require the merging of federal, state, and local preparedness and response capabilities for responses equal to the magnitude of a catastrophic event.

Interoperable communications equipment has been an allowable use of the homeland security grants offered by the Office of Grants and Training (G&T) since the inception of the Department. Use of these grant funds is tied to the goals and objectives identified in each state or urban area homeland security strategy. Interoperable communications was addressed in 54 of 56 current state homeland security strategies and in 48 out of 49 urban area homeland security strategies. From FY 2003 through 2005 more than \$2.1 billion in G&T funding has been applied by States toward interoperable communications solutions. As part of this process, G&T also established an interoperable communications technical assistance program (ICTAP) to ensure that these funds are maximized by the grantees. ICTAP provides expert assistance to States and Urban Areas for the identification of gaps in their existing communications capabilities, for developing solutions, and for sustainment of the enhanced capacities. This program was funded at \$5 million in FY 2006.

Over \$2 billion has been invested in interoperability across first responder disciplines. The Department is aware of other studies that predict the total cost of achieving total communications interoperability to be roughly \$18.3 billion. However, new equipment for jurisdictions will not alone solve the problem of communications interoperability. Spectrum, standards, incident command training, and other elements are essential when looking at interoperability solutions.

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Vice Admiral Allen Comment: Establishing clear and reliable communications in the wake of a major disaster is one of the most important steps that needs to be taken, but is also one of the most daunting challenges to overcome. For Katrina, virtually all organic communications systems in the region were destroyed or rendered completely unusable, some for several months. The Emergency Communications Working Group stood up by the Department of Homeland Security in the wake of Katrina and Rita has already made progress in this realm. Further, I have recommended to FEMA that MERS units be equipped with land mobile radio capability to allow interoperability with state and local responders via tactical radio. The Coast Guard's Chief Information Officer (CIO) is closely coordinating with U.S. Northern Command and the Department of Homeland Security on demonstration projects to improve the ability to restore local land mobile radio communications based on a pilot program tested during the Katrina response.

4. Do FEMA and its employees have decision-making authority that matches their roles and responsibilities?

Response: Yes. Appropriate authorities have been assigned and delegated to FEMA officials and employees so that they may perform their essential roles in responding to, recovering from, and mitigating against natural and manmade disasters.

Vice Admiral Allen Comment: From my experience as Katrina PFO, I will go on record to say that I found the typical FEMA employee to be hard-charging, extremely dedicated, and empowered to make decisions within his or her lines of authority. I did not observe a systemic problem in FEMA employees not having the ability to make decisions within their respective spheres of responsibility.

5. Does FEMA familiarize its partner organizations in disaster response with all required procedures so that response times are not unduly delayed? Are those familiarization procedures effective?

Response: Yes. FEMA routinely meets with its National- and Regional-level partners through the auspices of the Emergency Support Functions Leadership Group (ESFLG) and the Regional Interagency Steering Committees (RISCs). These meetings are designed to facilitate a collaborative planning environment that is conducive to ensuring interagency coordination and communication.

FEMA also routinely convenes multi-agency video teleconferences and conference calls involving the ESFLG, FEMA Regional staff, and incident-specific command and operations centers (i.e., the National Hurricane Center, HSOC) at the Federal and State levels upon receipt of actionable warnings. At these events, basic incident-specific preparedness, response, and initial recovery actions are introduced, coordinated, and synchronized in preparation for possible response. Action and Resource Tracking and Visibility efforts are initiated to complement ongoing situational awareness efforts and incident-specific Incident Collection Plans (ICPs) and Initial Actions Checklists are distributed to in-theater liaison officers located at the State

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Emergency Operations Centers (SEOCs) and advance management teams such as the Hurricane Liaison Team (HLT).

FEMA's coordinating plans, procedures, protocols, and practices have been effective in enhancing and focusing Federal, State, and local situational awareness and in pre-positioning Federal assets to locations suited to providing a rapid entry into the affected area in response to local and State requirements.

Vice Admiral Allen Comment: It is essential that we do not allow unfamiliarity with existing processes or excessive bureaucracy to hamper an agency's ability to respond in a crisis situation. While I cannot speak for other agencies, I can state with assurance that today the U.S. Coast Guard closely coordinates with FEMA to ensure rapid and professional response regardless of the type of disaster. But we are not sitting on our laurels -- in the spirit of continual improvement, and based on the lessons we learned from Katrina, Rita, and the slew of hurricanes we faced last year, the Coast Guard has proposed to FEMA the development of pre-scripted mission assignments that can be quickly executed to deploy Coast Guard resources as needed. If confirmed as Commandant, I can assure you that this will remain a top priority for the U.S. Coast Guard.

6. Does FEMA familiarize state and local governments with all the required procedures to apply for federal assistance in the case of natural disasters? Are those familiarization procedures effective?

Response: Yes, FEMA effectively familiarizes State and Local governments with all the required procedures to apply for federal assistance in the case of natural disasters. There are 10 FEMA Regional offices and two area offices (Caribbean and Pacific), each region serving several states. The Regional offices provide training, host workshops, and brief the states on Title IV of the Stafford Act §401, which covers major disaster assistance programs and procedures for declarations. In addition, regulations are outlined under 44 C.F.R. 206.36 as well as Title V of the Stafford Act §501, which speaks to emergency declarations and implementing regulations at 44 C.F.R. 206.35. Summits are held by the Regional offices to update the states on new guidance, processes, and procedures. FEMA staff work directly with their respective states and provide assistance as necessary. Regional offices monitor potential and actual situations in their respective states, assist with requests for disaster or emergency assistance, conduct joint Federal, State and local damage assessments, and provide a host of additional services.

Vice Admiral Allen Comment: I strongly believe this is an area where we can, and must, make significant progress. My experience as the Katrina PFO found that the lack of regional communications in the wake of the hurricane made it extremely difficult for local governments to effectively communicate their exigent needs to each other or FEMA and the rest of the federal response apparatus. Further, with many local and state response capabilities destroyed or severely impacted by the storm, federal agencies were needed to fill in for them.

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I believe firmly that DHS should establish specific training, exercise, and “lessons learned” programs for use across the range of federal, state, and local governments, and employ clear measures to assure performance.

7. Are FEMA’s operating procedures routine so that they do not have to be reinvented in a post-disaster situation?

Response: Yes. FEMA’s operating procedures are standard and routine but the resources committed, and the command and control structure established, is scalable depending on the size of the disaster. A joint field office with a unified command of a federal and state coordinating officer is routine for all disasters. An ICS structure with major components of Operations, Planning, Logistics, and Finance and Administration is resourced according to the size and complexity of the disaster. Federal agencies are routinely tasked to staff the Emergency Support Functions within the Operations Section when appropriate. For larger disasters FEMA Regions will activate Regional Response Coordination Centers and FEMA HQ will activate the National Response Coordination Center.

FEMA and its Federal, State, local, and Tribal sector partners routinely employ the same authorities and references in emergency management and disaster response. With the exception of the adoption of the NIMS and NRP, few changes have occurred in the interagency Federal planning and operational response paradigm since the introduction of the Federal Response Plan in 1993 following Hurricane Andrew.

Among the key guiding documents/plans/systems are the following:

1. April 2004, National Incident Management System
2. December 2004, National Response Plan
3. November 2205, Draft National Infrastructure Protection Plan
4. April 2005, Emergency Support Function #5 Emergency Management Standard Operating Procedures
5. April 2005, Draft Interagency Incident Management Group (IIMG) Activation and Operations
6. April 2005, National Response Coordination Center (NRCC) Standard Operating Procedures
7. April 2005, Regional Response Coordination Center/Regional Support Team Standard Operating Procedures
8. April 2005, Interagency Integrated Standard Operating Procedure Homeland Security Operations Center (HSOC)
9. April 2005, Interagency Integrated Standard Operating Procedure Joint Field Office (JFO) Activation and Operations

Secondly, all FEMA-developed concepts of operations, operations plans, and implementation plans are fully coordinated with FEMA’s Federal department and agency partners at the National-level through the Emergency Support Functions Leadership Group. Regional

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documentation is similarly coordinated at the Regional, State, and if necessary, local levels through the Regional Interagency Steering Committees (RISCs).

These documents and others provide an effective structure and mechanisms for Federal responses and operational coordination efforts for incident management, response, and recovery.

Vice Admiral Allen Comment: While I'm not in a position to comment upon FEMA's internal operating practices, I can state from my experience as Katrina PFO that from a larger Federal perspective there is a need to integrate the FEMA authorities and doctrine associated with the prior Federal Response Plan into the National Response Plan. For example, the concept of the Principal Federal Official (PFO) and the National Incident Management System (NIMS) both post-date the Stafford Act (as does the Homeland Security Act). As a result, there needs to be greater clarity regarding the respective roles of the PFO and the Federal Coordinating Officer. Without this improvement, there will continue to be a lack of coordinate at the Federal headquarters level, and a confusing organizational structure in the field.

FEMA RESPONSIVENESS & UTILIZATION OF MANPOWER

Recently, reports have surfaced concerning numerous incidents involving misallocation of resources and unused offers of assistance from federal agencies, state and local government, and volunteers. FEMA has long relied on volunteers to provide relief services.

1. In the wake of Hurricane Katrina how many volunteers were deployed? How many people submitted applications to volunteer prior to Hurricane Katrina but were not deployed after the hurricane?

Response: Over six thousand people volunteered to work with FEMA in disaster operations in any capacity following Hurricane Katrina. The need existed for Community Relations Officers as well as Individual Assistance officers. The Community Relations workers underwent a training program in Atlanta prior to going into the field. The Individual Assistance Officers went to Orlando, FL. The volunteers included Citizen Corps, fire fighters, and Native American tribes.

FEMA does not accept applications for volunteer deployment nor does FEMA deploy volunteers. Organizations such as the American Red Cross coordinate the services provided by volunteers during disaster response activities.

Vice Admiral Allen Comment: I cannot verify statistics regarding the number of FEMA volunteers, but can make this observation: we need, in our federal response, to do a better job integrating non-governmental organizations and volunteers into the broad spectrum of federal response activity. It makes eminent sense to coordinate these activities before a disaster, through thorough pre-planning with all potential stakeholders and volunteer agencies, so that it does not have to occur after the disaster has struck. We should revise the NRP to assign responsibility for coordinating these volunteer activities.

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2. What training do these volunteers receive to prepare them for their relief role? What screening do these persons receive during the application process?

Response: To prepare for the arduous task of operating in the impact area, volunteers and additional hires received an initial screening that covered the requirements of applicable federal law, including finger printing, national records checks, and being sworn in as federal officials. As a result, they were able to receive temporary federal identification allowing them entry into the appropriate FEMA facilities. Their training was a condensed version that included all mandatory training required by law. Human Rights, Government Ethics, payroll procedures and equipment responsibility were among the many general areas covered. In addition, they received substantial and condensed training on disaster relief procedures, Stafford Act program areas, community relations, dealing with traumatized victims, and trans-cultural communications.

Vice Admiral Allen Comment: I am not familiar with the current type of training provided, but know from my Katrina PFO experience that it must be comprehensive, realistic, and cover the range of response protocols from the NRP and NIMS. The more visibility our volunteers and NGOs have on the methodology of the federal response the better they will be able to assist in a crisis.

3. What screening process did contractors and other organizations who received Katrina contracts go through? Does FEMA have a preapproved vendor list or contracts that it relies on to deliver initial services?

Response: a) FEMA uses a two step screening process before awarding a contract. First, in accordance with the criteria stated in the solicitation, FEMA evaluates offers to identify the company(ies) that offers the best value to the Federal Government. Second, FEMA contracting officers make an affirmative “responsibility” determination before the contract award to ensure that the prospective contractor has the resources, experience, etc., to successfully perform the requirement.

b) FEMA has several contracts in place for anticipated disaster requirements. However, based on lessons learned from Hurricane Katrina, FEMA is working on awarding additional, long term contracts to improve FEMA’s ability to respond more effectively to disasters.

Vice Admiral Allen Comment: FEMA’s procurement is centrally managed by their headquarters and I was not involved in the contracting function, and therefore am unable to comment.

4. What method does DHS/FEMA suggest to provide supplemental first-responder services in the wake of disaster? Is there a need for these services?

Response: Generally, federal departments and agencies supporting the National Response Plan are activated and engaged using either a mission assignment process for events supported by Stafford Act funding, or through interagency agreements or other direct funding sources when implemented using other authorities. If the assistance / resources offered are needed, including

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first responder services, FEMA would execute a mission assignment, or other direct funding sources when implemented using other authorities, to accept the assistance / resources.

All assistance and resource actions, including first responder services, begin with the identification of an unmet need. The need may originate in a variety of ways, but typically the State and/or local emergency management agency, FEMA, and other responding Federal agencies are the most common sources. Once an action request has been captured a staff member of the Operations Section within an Emergency Response Team (ERT), Regional Response Coordination Center (RRCC) staff, or Emergency Support Team (EST) at the National Response Coordination Center coordinates the request through the Operations Section. The Operations Section Chief or a designee, who assesses the request, confirms its validity, and determines which organizational element within the emergency team is best suited to fulfill the request. The Operations Section Chief also identifies the relative priority of the action, in terms of criticality (lifesaving, life-sustaining, high, medium, normal), lead time for delivery, or timeframe for completion. A request may also be returned to the originator for additional information, clarification, or execution under the originator's own authority. In cases where the fulfillment of the request is already being accomplished under another action, or is proscribed from being completed by law and/or regulation, the requests may be returned to the requestor without action. The Operations Section Chief assigns the action request to an organizational element within the emergency team for coordination and completion.

In cases where resources and assistance are offered from the interagency community, the offer would immediately be processed and reviewed to determine if it could satisfy any unmet needs or resource requirements and if not it would be passed on to the Emergency Support Function with responsibility for providing/overseeing the type of resource or support into which the offer would fall.

FEMA requests and obtains interagency support and assistance under the Stafford Act through the Mission Assignment process. A Mission Assignment (MA) is a work order issued by FEMA to a Federal department or agency (D/A) directing completion of a specific task, and citing funding, other managerial controls, and guidance given in anticipation of, or response to a Presidential declaration of a major disaster or emergency.

Furthermore, every state in CONUS is a member of the Emergency Management Assistance Compact (EMAC) which provides robust support to member states during emergencies and disasters. EMAC resources can be supplemented with Federal resources through the mission assignment process.

In light of the events surrounding Hurricane Katrina, which stressed response and recovery resources at every level of government, DHS/FEMA is reviewing disaster response policy to determine how the Agency can best respond to disasters of all proportions, with a particular emphasis on how best to respond during the initial phases of response, when lifesaving and life-sustaining efforts are of the highest priority.

Additionally, Citizen Corps, as part of the Office of Community Preparedness, focuses on engaging the public in organized grass roots efforts to prepare themselves and their communities

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and to support the work of emergency personnel; creating a culture shift in how government leaders, emergency responders, and the public view the role of the “citizen” in preparedness; and providing an integrated approach and a national voice to promote community preparedness. The key Citizen Corps programs are Community Emergency Response Teams (CERT), Fire Corps, Medical Reserve Corps, Neighborhood Watch, and Volunteers in Police Service. DHS also partners with 25 national non-profit groups and more than 70 associations to promote community preparedness.

From FY 2002 through FY 2006, DHS has distributed approximately 108 million dollars for Citizen Corps activities. These activities include establishing and enhancing Citizen Corps Councils; establishing and enhancing citizen volunteer initiatives (Fire Corps, CERT, Medical Reserve Corps, Neighborhood Watch, etc.); and establishing and enhancing citizen awareness of emergency preparedness, prevention, and response measures. The Councils’ added value is that it brings to the first responder table the “voices” of the many non governmental organizations (volunteer, non-profit, faith-based, private sector) that are the backbone of any successful community level preparedness and response effort. State, local and tribal Citizen Corps Councils are formed and work with the State Homeland Security Office and the State Emergency Management Office to bring together the first responder and the non-first responder community to address the citizen preparedness needs of the community. Citizen Corps has 56 state/territory councils and 1,925 county/local/tribal councils. These councils serve 203,856,618 people, which is 71% of the total U.S. population.

During Hurricane Katrina, 14,000 Citizen Corps volunteers from all 50 states and the District of Columbia supported the relief efforts. The prior training and involvement in the Citizen Corps programs made them immediately prepared to step in and help the emergency responders. The most successful of these efforts was the Houston Astrodome where the Citizen Corps program and Council lead the way for managing the 60,000 volunteers who supported the response effort.

Vice Admiral Allen Comment: The current Mission Assignment process works well in providing federal support to local and state first responders, provided that all levels of government have prepared ahead of time for the potential that these support services might be needed. In some cases, the federal government will be needed to provide services that no state or local entity has the capacity to undertake: witness the Coast Guard/DOD’s rescue by helicopter of thousands of people from their rooftops immediately following the flooding of New Orleans and the devastation of southeastern Louisiana. While the National Guard could have, and did, perform some of these rescues, a much larger federal response was needed to save these thousands of lives.

One of the more difficult but essential problems to solve is the need for law enforcement in the wake of a major disaster. Local and state law enforcement agencies must be sure to pre-plan so that they can surge back into a devastated area and maintain civil control, with the help of the National Guard as needed. If neither state nor local authorities can handle these duties, it is essential to rapidly surge a federal force to maintain calm and prevent any outbreaks of civic unrest. Again, these types of responses must be pre-planned between FEMA, DHS, NORTHCOM, other federal partners, and the cognizant state/local governments.

FLOOD INSURANCE PROGRAM

Since Hurricane Katrina, Congress has had to significantly increase the statutory borrowing authority for the National Flood Insurance Program (NFIP) from a pre-Katrina authority of \$1.5 billion to a current Congressional proposal of \$21.2 billion. Congress has been advised that there is little hope that the NFIP will ever be able to repay the taxpayers for this borrowing. Obviously, this program is not actuarially sound as it has required significant and repeated bailouts by the taxpayers.

FEMA has advised my staff that, between 1978 and 2004, 14 states' NFIP claims have significantly exceeded the total premiums paid by property owners in those states. In 36 states, however, the amount paid to settle claims is significantly less than the total premiums paid. For example, property owners in my home state of Nevada have received \$25.8 million to settle claims compared to their total NFIP premiums of \$65.5 million. This would suggest that my constituents are, in part, subsidizing the risk for repetitive-loss properties, such as those located in Missouri where claims paid total \$418.6 million compared to premiums of only \$141.5 million. This would also suggest that certain regions of the country, such as the Gulf Coast Region, are heavily subsidized relative to risk of loss. For example, property owners in Texas have received \$2.7 billion in claims while only paying in \$1.8 billion in premiums.

1. What reforms does the Department of Homeland Security (DHS) believe are necessary to make the NFIP actuarially sound so as to appropriately shift the risk loss away from the taxpayers to owners of high-risk properties without further shifting risk loss to owners of lower risk properties?

Response: The Department is currently assessing the financial structures and policies of the NFIP, including whether any modifications to existing authority may be required. We look forward to working with Congress on any legislative changes which may be needed.

Vice Admiral Allen Comment: The responsibilities of the PFO do not extend to the management of the NFIP, and I was not involved in these issues during the response to Katrina. I have no expertise in this field and can offer no substantive comment.

2. Will DHS propose ending the current practice of grandfathering properties built before enactment of the NFIP? If so, what specific proposals does DHS have to end this practice?

Response: DHS does not have any plans at this time to end the practice of grandfathering properties built before the enactment of the NFIP.

Vice Admiral Allen Comment: The responsibilities of the PFO do not extend to the management of the NFIP.

ACCOUNTING OF DISASTER RELIEF DOLLARS

Significant dollars have been spent on rescue, recovery, and relief efforts in the Gulf Region. The Government Accountability Office has detailed a series of accounting flaws, waste, fraud, and mismanagement of \$85 billion in Katrina-related spending. FEMA has admitted mistakes but that there is little recourse to recoup payments.

1. What factors in the FEMA organization contributed to the poor oversight of this money? Were the financial accounting measures in place adequate or were they not properly executed? What obstacles must FEMA overcome to install appropriate oversight measures?

Response: The Department of Homeland Security has repeatedly observed and stated that federal, state, and local response capabilities were overwhelmed by the size and scope of Hurricane Katrina. This event is, by far, the most monumental natural catastrophe the US has ever faced with obligations-to-date of over \$23 billion by FEMA alone. And, while FEMA's financial accounting controls were severely strained during the hurricane, the accounting system does meet the core system requirements.

In general for disasters, FEMA's critical focus is always centered upon getting the relief assistance to the disaster victims as soon as possible. During the Katrina disaster, with its devastating magnitude and effects on lives and property, some oversight and internal controls suffered in light of this focus and were also overcome by the magnitude of events.

Notwithstanding, during an active disaster, FEMA's personnel continue to focus on the relief effort and rely on addressing lessons learned and control issues afterwards. To this end, FEMA, along with DHS, has contracted with PricewaterhouseCoopers, LLP to study financial oversight and internal controls, determine gaps in propriety and/or adequacy, and present comprehensive recommendations for practical solutions to audit findings, after-action reports, and any other risk conditions they may find.

Vice Admiral Allen Comment: The responsibilities of the PFO, aside from any fiduciary responsibilities associated with a dual FCO designation, do not extend to funds management. I am therefore unable to provide you any insights on this topic.

2. Please provide a detailed accounting of all appropriated funds for efforts in the Gulf Region, including all reprogrammed funds, and a summary for every contract with a cost of over \$10 million.

Response: The Department of Homeland Security (DHS) provides a weekly status report on the Disaster Relief Fund. This report provides a detailed accounting of the DRF for the Gulf Region. This report can be found in the following web-site:
<http://appropriations.house.gov/files/HurricaneKatrinaLink.htm>

Also attached is a list of all contracts awarded by FEMA as of March 15, 2005 that exceed \$10M.

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This list is updated weekly and is also available on the DHS website at www.dhs.gov/dhspublic/interapp/editorial/editorial_0729.xml.

Vice Admiral Allen Comment: I cannot provide any detailed information on this topic as the responsibilities of the PFO, aside from any fiduciary responsibilities associated with a dual FCO designation; do not extend to funds management.

3. It is reported that FEMA purchased nearly 25,000 manufactured homes at a cost of \$857 million, and around 1,300 modular homes at a cost of \$40 million. Almost 11,000 of those manufactured homes are unused and sitting in Arkansas. To the extent that these 11,000 homes are going unused, what will be done with them? What will be done with respect to any other surplus property?

Response: It is FEMA's intent to use the existing inventory of manufactured homes to the extent possible to meet disaster-related housing needs and we are actively working that end. Among the efforts to utilize the 11,000 manufactured homes in Arkansas are:

- Mobile home group sites are being developed in the Katrina impact area, including over 1,600 units worth in the Lake Charles, LA, area alone;
- Mobile home commercial park available sites are being utilized wherever possible in the Parishes facing the greatest housing needs;
- When requests for housing assets are received, applicants are informed that if their site can accommodate a mobile home that is what they will be provided; and
- In some restricted areas, we are allowing the use of mobile homes on private sites as long as appropriate protective actions are taken including concrete piers and site elevation actions.

FEMA is also utilizing these assets to meet the transitional housing needs of the victims of other disasters that have occurred subsequent to Katrina. While we do not necessarily expect these units to end up as surplus property, should they do so they would be disposed of under the appropriate Federal property disposal programs of the GSA.

Vice Admiral Allen Comment: I do not have any visibility on this topic and cannot provide you any substantive comments.

4. Additionally, the contracts FEMA entered into (such as with the cruise line) do not appear to have been a wise use of taxpayer dollars. What oversight measures were in place to ensure that the appropriate amount short-term housing was available? What measures were in place to ensure that housing options were cost effective?

Response: FEMA traditionally approaches temporary housing with direct housing resources as the last resort. Our first option is to repair the damaged home of the victims. This has been done to a large degree through the tarping program that allows the residents to live in their homes as repairs are accomplished. But the repair option also is a reason why home-owners have chosen to use travel trailers on their property while repairing their homes. The second option is rental

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properties in the disaster area. In the case of Katrina, this option was very depleted. So much rental stock was lost that little remained available for the renters who had lost their apartments. The third option is then direct (e.g. manufactured) housing. We have used a significant number of travel trailers and a much smaller number of mobile homes to meet this need.

Contrary to press reports, the cruise ships were an appropriate use of taxpayer dollars. Most of these ships were used in the New Orleans area where there were no available housing assets so there were no viable alternative short-term housing options. Using the ships, not only victims but emergency and safety workers and others assisting in the recovery of the damaged area could stay in the vicinity immediately while we worked to increase housing resources in the area. Given the wide swath of the storm, commuting distances were enormous and still housing opportunities were limited. In fact, during the early weeks following the disaster, even congregate shelters were overwhelmed and we needed alternative resources to house families and individuals. Through the use of the ships we were able to both provide better sheltering and also have the time to bring in manufactured housing, restore utilities, and provide suitable housing alternatives for the affected residents of the area. As to the question of their cost-effectiveness, these ships were used primarily to house disaster victims who were also necessary to the restoration of public safety and economic activity in the area, and the per berth cost of their housing in the ships was less than the Federal per diem rate for the New Orleans area. Even if the cost had not been competitive, the lack of housing alternatives would have made use of the ships appropriate in order to support the efforts to restore the functioning of public and private institutions in the impact area.

Vice Admiral Allen Comment: While I do not have complete visibility on this issue, I can state that regarding the cruise ships, the contract for them was awarded before my arrival in Louisiana. However, as first the Deputy PFO in New Orleans and later as the PFO, I recommended that the cruise ships be moved from Galveston to New Orleans and be used to house first responders. I based my recommendation on a direct request from the City of New Orleans Director of Homeland Security, Terry Ebbert. The request was made to me personally on my first day in New Orleans. In hindsight, I would not change the recommendation.